GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce – SEZs - Extension of certain incentives under Industrial Development Policy 2015-20 to M/s Deccan Fine Chemicals (India) Private Limited, to their proposed SEZ focussed on Agro Chemicals and Pharma APIs in 127 Acres land with an investment of INR 960 Crore at Payakaraopeta (M), Visakhapatnam District – Orders-Issued.

INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.117 Dated.26.08.2016

Read the following:-

1. From the Executive Director, M/s.Deccan Fine Chemicals (India) Private Limited, Lr.Dt.08.01.2016.
2. Empowered Committee of Secretaries Meeting held on 20.06.2016.
3. State Investment Promotion Board Meeting held on 08.07.2016.

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O R D E R

In the reference 1st read above, M/s Deccan Fine Chemicals (India) Private Limited have informed that they proposes to establish SEZ focussed on Agro Chemicals & Pharma APIs in 127 Acres of land at Payakaraopeta (M), Visakhapatnam District. The company proposes to have its own unit with focus on Agro Chemicals & Pharma API in the proposed SEZ. Apart from this, DFPCL also proposes to establish a Caustic Chlorine Plant adjacent to the SEZ in 40 Acres of land adjacent to the SEZ. The total investment in the SEZ for infrastructure, utilities combined with the Manufacturing unit proposed within the SEZ will work out to INR 960 Crore. During Phase-I, investment in SEZ will be about INR 450 Crore with employment provided to 200 people. During Phase-II, investment will be INR 510 Crore and employment will be provided to 200 people. The Company requested for the following:

(i) Exemption on Stamp Duty and Registration Charges;

(ii) Reimbursement of Stamp Duty, registration charges and developmental charges.

(iii) 25% subsidy on specific cleaner production measures.

(iv) Exemption from any power cuts imposed by Electricity Board.

(v) Permission to draw 81.244 MLD of water from Tandava River & Pampa River with permission to lay pipelines for this purpose.

(vi) Assistance in speeding up clearances for laying pipelines from State Level Coastal Zone Management Authority under Department of Science, Technology and Environment, Government of A.P. and A.P. Pollution Control Board for pipelines passing through CRZ area.

(vii) Help from GoAP and Visakhapatnam District Administration to conduct Public Hearing in a smooth manner.

(viii) All other incentives as per the State Industrial Policy 2015-20 and additional benefits as per the amendments that may be made in the future.

(ix) Permission to lay two pipelines of 1,000 mm diameter each for incoming water from the Bay of Bengal to desalination plant (RO). Additionally for two pipelines of 1,000 mm diameter each to discharge treated effluent and concentrate from desalination plant (RO).

(x) Conversion of single lane road into double lane road as a part of infrastructure upgradation between Tuni to Pentakota by passing Tuni town, Magavaram to Satyavaram Road, Payakaraopeta to Pentakota Road and Ramabhadrapuram to Satyavaram. Estimated cost for this conversion is Rs.33 Crore.

(xi) To provide 132 KVA substation at Rajavarm or Kesavaram village. The unit requires about 75,000 KVA of power. Estimated cost for this is Rs.20 Crore.

(xii) Exemption on VAT, CST and other State Levies. Refund of gross VAT, CST, GST and any other levy similar in nature for 15 years.

(P.T.O.)

(xiii) Reimbursement of fees paid for conversion from agricultural lands to industrial land.

(xiv) Subsidized Electricity Tariff: 25% power cost reimbursement.

(xv) Waiver of electricity duty/tax.

(xvi) Request to waive PCPIR/VUDA fee for approval of plans. Fee was charged at Rs.5.50 Crore of which Rs.50 Lakhs was paid. Request to waive the remaining fee.

2. In the reference 2nd read above, the Empowered Committee of Secretaries (Meeting chaired by the CS on 20.06.2016), after detailed discussions, have recommended to the SIPB with the following incentives/benefits in favour of M/s.Deccan Fine Chemicals (India) Pvt Ltd:

(i) Reimbursement of 100 % VAT&CST for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) 75% of cost of external infrastructure cost including Conversion of Single lane to Double lane Road (19 km), power supply with 132 KV Sub-station limited to Rs.39.75 Crore.

(iii) Reimbursement of 100 % NALA charges.

(iv) Industries Department to facilitate for a permission to lay pipeline for drawing water from Bay of Bengal to Desalination Plant and also to discharge effluent & concentrate from Desalination Plant.

(v) All other benefits as per Industrial Development Policy (IDP) 2015-20.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s Deccan Fine Chemicals (India) Private Limited in detail and decided to extend the following incentives:

(i) Reimbursement of 100 % VAT&CST for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) 100% of cost of widening and strengthening of the road from Namavaram to Pentakota Road via with a total length of 17.45 KMs, as a part of infrastructure upgradation. Estimated cost for this conversion is INR 33 Crore. The Chairman of the Board desired that the Road work should be completed immediately and instructed the Chief Secretary to have a meeting with the R & B Dept for tying up necessary budget to start the work immediately. Land Acquisition cost shall be borne by the Company.

(iii) 75% cost of power supply with 132 KV Sub-station at Rajavarm or Kesavaram Village limits to Rs.15 Crore. The estimates shall be prepared by the Implementation Department.

(iv) Reimbursement of one time land conversion cost from Agriculture to Industrial use.

(v) Industries Department to facilitate permission to lay pipeline for drawing water from Bay of Bengal to Desalination Plant and also to discharge effluent & concentrate from Desalination Plant.

(vi) All other benefits as per Industrial Development Policy (IDP) 2015-20.

4. Government, after careful examination of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s.Deccan Fine Chemicals (India) Private Limited to their proposed SEZ focussed on Agro Chemicals and Pharma APIs in 127 Acres land with an investment of INR 960 Crore in two phases and employment generation to 400 persons at Payakaraopeta Mandal, Visakhapatnam District:

(i) Reimbursement of 100 % VAT&CST for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) 100% of cost of widening and strengthening of the road from Namavaram to Pentakota Road via with a total length of 17.45 KMs, as a part of infrastructure upgradation. Estimated cost for this conversion is INR 33 Crore. The Chairman of the Board desired that the Road work should be completed immediately and instructed the Chief Secretary to have a meeting with the R&B Dept for tying up necessary budget to start the work immediately. Land Acquisition cost shall be borne by the Company.

(iii) 75% cost of power supply with 132 KV Sub-station at Rajavarm or Kesavaram Village limits to Rs.15 Crore. The estimates shall be prepared by the Implementation Department.

(iv) Reimbursement of one time land conversion cost from Agriculture to Industrial use.

(v) Industries Department to facilitate permission to lay pipeline for drawing water from Bay of Bengal to Desalination Plant and also to discharge effluent & concentrate from Desalination Plant.

(vi) All other benefits as per Industrial Development Policy (IDP) 2015-20.

5. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)
S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad.
M/s.Deccan Fine Chemicals (India) Private Limited through the Director of Industries, A.P. Hyderabad.
The Energy, Infrastructure & Investment Department, A.P. Secretariat, Hyderabad.
The Transport, Roads & Buildings Department, A.P. Secretariat, Hyderabad.

Copy to:

The Finance (FMU-Rev.IC) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad .
The Commissioner of Commercial Taxes, Hyderabad.
The Vice Chairman & Managing Director, Industrial Infrastructure Corporation Ltd., Government of A.P., Hyderabad - 4.
The Collector & District Magistrate, Visakhapatnam District.
The General Manager, District Industries, Centre, Visakhapatnam District.
The Zonal Manager, A.P.I.I.C., Visakhapatnam District.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government of A.P.
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED:: BY ORDER//

SECTION OFFICER